

FISCAL NOTE

HB 1923 - SB 1883

February 26, 2001

SUMMARY OF BILL: Extends the \$2,500 tax applied to all nursing home beds effective until June 30, 2003. The tax is scheduled to terminate on June 30, 2001.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact - Prevents the loss of \$102,700,000 in state revenues.

The bed tax is estimated to generate \$102,700,000 of which \$15,054,500 will be used to fund the Nursing Home Resident's Grant Assistance Program. The remaining \$87,645,500 will be used to fund the TennCare program. This amount is included in the Governor's Fiscal Year 2002 budget. The bill continues the tax for two additional years. Any increase in nursing home beds in the second year would lead to a corresponding increase in the amount collected.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

HB 1923 - SB 1883